

ORIGINAL

THE STATE



OF WYOMING

EX PARTE OR LATE FILED

JIM GERINGER  
GOVERNOR

## *Public Service Commission*

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STEVE FURTNEY

COMMISSIONER

STEPHEN G. OXLEY

SECRETARY AND CHIEF

COUNSEL

DAVID M. MOSIER

ADMINISTRATOR

September 21, 1998

Ms. Magalie Roman Salas, Secretary  
Federal Communications Commission  
1919 M Street N.W., Room 222  
Washington, D.C. 20554

ORIGINAL

RE: CC Docket 96-45

Dear Ms. Salas:

On September 18, 1998, a delegation of Wyoming government and industry leaders met with FCC Chairman William Kennard to discuss activities which have been undertaken in Wyoming to introduce competition in local telecommunications markets and to preserve and advance universal service. The delegation stressed the need for the prompt implementation of explicit federal support for high cost states which have taken necessary actions to open their markets, rebalance rates, and implement explicit intrastate universal service support mechanisms.

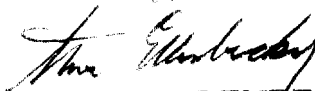
Representing the State of Wyoming were Mary Kay Hill, Director of Policy for the Governor of Wyoming, Steve Ellenbecker, Chairman, and Denise Parrish, Supervisor Rates and Pricing of the Wyoming Public Service Commission, and Senator Carroll Miller and Representative John Hanes of the Wyoming Legislature. Representing the Wyoming telecommunications industry were Jim Woody, President of the Wyoming Telecommunications Association, Bob Adkisson of GVNW/Management, Inc., Pete Sywenki and Barry Counts of Sprint, and Barbara Allgaier, Glenn Brown, Mike Ceballos and Michael Stull of U S WEST. In addition to Chairman Kennard, Kathryn Brown, Chief, Common Carrier Bureau, and John Nakahata, Chief of Staff, also attended portions of the meeting. The attached handout was used during the meeting.

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List A B C D E

In accordance with Section 1.1206(a)(2) of the Commission's Rules, the original and one copy of this letter, is being filed with your office for inclusion in the public record for the above-mentioned proceedings. Acknowledgment of date of receipt of this transmittal is requested. A duplicate of this letter is provided for this purpose. Thank you for your consideration.

Please contact me if you have any questions.

Sincerely,

A handwritten signature in cursive script, appearing to read "Steve Ellenbecker".

STEVE ELLENBECKER

Chairman

cc: Chairman William Kennard  
Kathryn Brown  
John Nakahata

## Universal Service in Wyoming

### September 18, 1998

#### Wyoming is Unique

- Its high cost of service is driven by large size (97,000 square miles), smallest population in U.S. (480,000) and lack of large urban markets (largest is 50,000 people and 35,000 access lines).
- Wyoming is highly dependent on telecommunications for education, health care and economic development.
- Wyoming is *among the most advanced* states in
  - Identifying true costs of service; and
  - Rebalancing prices to eliminate subsidies; which are
  - Supported by a functioning, explicit universal service fund.

#### The Wyoming Telecommunications Act of 1995

- Prepares markets for competition and helps competition to develop while promoting infrastructure development.
- Intent and approach very similar to 1996 federal Act
- Deregulates much and greatly simplifies remaining regulation.
- Requires each service to cover its own TSLRIC costs.
- Eliminates implicit subsidies from rates.
- Creates an explicit universal service fund.

#### Wyoming PSC Implementation Initiatives

- Developing prices which cover actual costs.
  - Access and toll rates have gone down.
  - Local basic service rates have increased significantly
  - Job is almost complete for over 90% of Wyoming's access lines.
- Developed currently functioning state universal service fund.
  - Funded by explicit surcharge on bill.
  - Support shows on bill as explicit credit.
  - Covers rates over 130% of the statewide average
  - Surcharges now at 6% and will probably go higher.
- PSC has developed costing, universal service and other rules.

#### The Wyoming Subscriber's Situation

- Local service rates are among highest in nation.
- As rebalancing progresses, the statewide average rate goes up, raising the rates paid by subscribers.
  - the size of the universal service fund, and
  - the size of the surcharge.
- Some smaller markets with the highest costs are among the least likely to attract early competition.

#### The Challenge We Face Now

- The Wyoming market is too small and costs are too high for it to provide adequate universal service support by itself.
- Wyoming has sincerely identified actual costs and removed subsidies.
- Without active federal assistance the political and economic pressures to retreat from the competitive market may be too great to resist.

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Ms. Magalie Roman Salas, Secretary  
Federal Communications Commission  
1919 M Street N.W., Room 222  
Washington, D.C. 20554

RE: CC Docket 96-45

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Dear Ms. Salas:

On September 18, 1998, a delegation of Wyoming government and telecommunications industry leaders met with Commissioner Susan Ness and Senior Legal Advisor James Casserly to discuss activities which have been undertaken in Wyoming to introduce competition in local telecommunications markets and to preserve and advance universal service. The delegation stressed the need for the prompt implementation of explicit federal support for high cost states which have taken necessary actions to open their markets, rebalance rates, and implement explicit intrastate universal service support mechanisms.

Representing the State of Wyoming were Mary Kay Hill, Director of Policy for the Governor of Wyoming, Steve Ellenbecker, Chairman, and Denise Parrish, Supervisor Rates and Pricing of the Wyoming Public Service Commission, and Senator Carroll Miller and Representative John Hanes of the Wyoming Legislature. Representing the Wyoming telecommunications industry were Jim Woody, President of the Wyoming Telecommunications Association, Bob Adkisson of GVNW/Management Inc., Pete Sywenki and Barry Counts of Sprint, and Barbara Allgaier, Glenn Brown, Mike Ceballos and Michael Stull of U S WEST. The attached handout was used during the meeting.

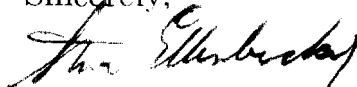
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STEVE ELLENBECKER

Chairman

cc: Commissioner Susan Ness  
James Casserly

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RE: CC Docket 96-45

Dear Ms. Salas:

On September 18, 1998, a delegation of Wyoming government and industry leaders met with Kevin Martin, Legal Advisor to Commissioner Harold Furchgott-Roth, to discuss activities which have been undertaken in Wyoming to introduce competition in local telecommunications markets and to preserve and advance universal service. The delegation stressed the need for the prompt implementation of explicit federal support for high cost states which have taken necessary actions to open their markets, rebalance rates, and implement explicit intrastate universal service support mechanisms.


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STEVE ELLENBECKER  
Chairman

cc: Kevin Martin



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